

**Before the
Federal Communications Commission
Washington, DC 20554**

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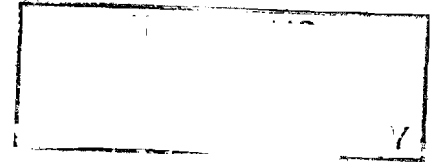
In the Matter of)

Federal-State Joint Board on Universal Service)

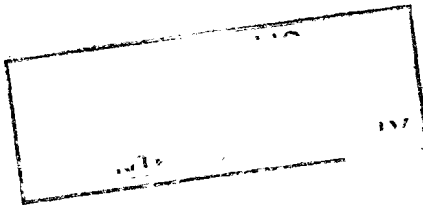
Q LINK WIRELESS LLC)

Petition for Limited Designation as an Eligible
Telecommunications Carrier in the States of
Alabama, Connecticut, Delaware, Florida, New
Hampshire, New York, North Carolina,
Tennessee, the Commonwealth of Virginia,
and the District of Columbia)

WC Docket No. 09-197



**SECOND AMENDED PETITION FOR LIMITED DESIGNATION AS AN ELIGIBLE
TELECOMMUNICATIONS CARRIER IN THE STATES OF ALABAMA,
CONNECTICUT, DELAWARE, FLORIDA, NEW HAMPSHIRE, NEW YORK, NORTH
CAROLINA, TENNESSEE, THE COMMONWEALTH OF VIRGINIA, AND THE
DISTRICT OF COLUMBIA**



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SUMMARY

Q LINK WIRELESS LLC (“Q LINK”) is seeking limited designation as an Eligible Telecommunications Carrier (“ETC”) in the States of Alabama, Connecticut, Delaware, Florida, New Hampshire, New York, North Carolina, Tennessee, the Commonwealth of Virginia, and the District of Columbia (collectively the “Non-Jurisdictional States”) pursuant to Section 214(e)(6) of the Communications Act, solely for purposes of offering services supported by the Universal Service Fund’s (“USF”) Lifeline program. Q LINK filed its original Petition with the Federal Communications Commission (“Commission”) on January 5, 2012. Q LINK filed an Amended Petition on March 30, 2012, which replaced its original Petition. This Second Amended Petition replaces the Amended Petition filed on March 30, 2012.

Each Non-Jurisdictional State has each provided an affirmative statement that it does not exercise jurisdiction over wireless providers for purposes of ETC designation. Accordingly, pursuant to Section 214(e)(6), the Commission has the necessary authority to designate Q LINK as an ETC in the Non-Jurisdictional States.

Q LINK meets all of the necessary requirements under Section 214(e)(1) for the limited ETC designation requested herein. Although Section 214(e)(1)(A) of the Act requires an ETC to offer USF-supported services to some extent over its own facilities, the Commission granted forbearance from enforcement of this facilities requirement to carriers seeking Lifeline-only ETC designation in its Lifeline and Link Up Reform Order released February 6, 2012.¹ Through its agreement with its underlying carrier, Q LINK has the ability to offer all of the services and functionalities supported by the USF and set forth in Section 54.101(a) of the Commission’s

¹ *In the Matter of Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) (“*Lifeline and Link Up Reform Order*”).

rules. Q LINK therefore respectfully requests that the Commission promptly approve the instant request for limited ETC designation to enable Q LINK to rapidly provide Lifeline services to qualifying customers in the Non-Jurisdictional States.

Designating Q LINK as an ETC in the Non-Jurisdictional States will promote the public interest by providing qualifying low-income customers in the Non-Jurisdictional States with lower prices and high-quality wireless services. Many low-income customers in the Non-Jurisdictional States have yet to reap the well-documented benefits of wireless service because of financial constraints, poor credit history, or intermittent employment. Q LINK's prepaid service offerings are ideally suited to provide these customers with reliable and cost-effective wireless services. As an ETC, Q LINK will be able to provide discounted and affordable services to these consumers, who are the intended beneficiaries of USF support. Q LINK's designation will specifically serve the public interest because of the aggressive pricing plans that Q LINK will provide (see Exhibit A).

Accordingly, designating Q LINK as an ETC for Lifeline service is consistent with precedent, will serve the public interest, and should be granted without delay.

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**SECOND AMENDED PETITION FOR LIMITED DESIGNATION AS AN ELIGIBLE
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CAROLINA, TENNESSEE, THE COMMONWEALTH OF VIRGINIA, AND THE
DISTRICT OF COLUMBIA**

I. INTRODUCTION

Q LINK WIRELESS LLC (“Q LINK” or “the Company”), pursuant to Section 214(e)(6) of the Communications Act of 1934, as amended (“Act”), and Section 54.201 of the rules of the Federal Communications Commission (“FCC” or “Commission”), hereby submits this Second Amended Petition requesting limited designation as an eligible telecommunications carrier (“ETC”) in the States of Alabama, Connecticut, Delaware, Florida, New Hampshire, New York, North Carolina, Tennessee, the Commonwealth of Virginia, and the District of Columbia (collectively the “Non-Jurisdictional States”), which replaces in its entirety the Amended Petition filed on March 30, 2012, which had replaced in its entirety the original Petition filed on January 5, 2012. Q LINK seeks ETC designation in the Non-Jurisdictional States only for purposes of

participation in the Universal Service Fund's ("USF") Lifeline program and does *not* seek to participate in the Link-Up or High-Cost support programs.

Since the Alabama Public Service Commission, the Connecticut Department of Public Utility Control, the Delaware Public Service Commission, the District of Columbia Public Service Commission, the Florida Public Service Commission, the New Hampshire Public Utilities Commission, the New York Public Service Commission, the North Carolina Utilities Commission, the Tennessee Regulatory Authority, and the Virginia State Corporation Commission (collectively, the "State Commissions") lack jurisdiction to designate Q LINK as an ETC, the Commission, under Section 214(e)(6) of the Act, has the authority to consider and grant this request.²

As more fully described below, Q LINK satisfies the requirements for designation as an ETC in the Non-Jurisdictional States, including the new requirements outlined in the FCC's *USF/ICC Transformation Order*³ and *Lifeline and Link Up Reform Order*.⁴ Q LINK will offer all of the services and functionalities supported by the universal service program throughout its designated service areas in the Non-Jurisdictional States. Grant of Q LINK's request, therefore, will promote the public interest by providing customers in the Non-Jurisdictional States with lower prices and higher quality wireless services.

² See 47 U.S.C. § 214(e)(6).

³ *In the Matter of Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing a Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, Universal Service Reform – Mobility Fund*, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket No. 05-337, CC Docket No. 96-45, WC Docket No. 03-109, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov. 18, 2011) ("*USF/ICC Transformation Order*").

⁴ See *supra* note 1.

II. BACKGROUND

A. Company Overview

Q LINK is a Delaware Limited Liability Company with principal offices located at 499 East Sheridan Street, Suite 300, Dania Beach, Florida 33004.⁵ Q LINK's holding company is QUADRANT HOLDINGS GROUP LLC; the Company has no operating companies or affiliates. QUADRANT HOLDINGS GROUP LLC is also a Delaware Limited Liability Company with principal offices located at 499 East Sheridan Street, Suite 300, Dania Beach, Florida 33004. Q LINK will provide prepaid wireless telecommunications services to consumers by using the Sprint Spectrum L.P. ("Sprint") network to offer nationwide service. Sprint is a nationwide carrier that provides wholesale capacity on its wireless network to Q LINK. Pursuant to an existing agreement, Q LINK will obtain from Sprint the network infrastructure and wireless transmission facilities to allow Q LINK to operate much like TracFone Wireless, Inc. ("TracFone") and Virgin Mobile USA, L.P. ("Virgin Mobile"), both of whom have been granted ETC status by the Commission.⁶ Q LINK will purchase wireless services from Sprint on a wholesale basis for calling and text messaging, package those services into Q LINK's own service plans and pricing, and bundle the wireless service with Q LINK's handset selection, mobile applications, marketing materials, web interface, and customer service to produce finished wireless service offerings to sell to end-user customers.

⁵ Q Link was organized in the State of Delaware on August 25, 2011.

⁶ *Petition of TracFone Wireless, Inc. for Forbearance from 47 U.C.S. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i)*, CC Docket No. 96-45, Order, 20 FCC Rcd 15095 (2005); *Petition of Virgin Mobile USA, L.P. for Forbearance from 47 U.C.S. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i)*, CC Docket No. 96-45, Order, 24 FCC Rcd 3381 (2009) (collectively, the "Forbearance Orders" or, individually, the "TracFone Forbearance Order," or "Virgin Mobile Forbearance Order," as applicable). The Commission had previously granted TracFone forbearance from the facilities requirement for ETC designation, permitting TracFone to offer the supported services via resale only. *Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i)*, CC Docket No. 96-45, Order, 20 FCC Rcd 15095 (2005) ("TracFone Forbearance Order"). The *Virgin Mobile Order* contained both the forbearance analysis and ETC designation.

Q LINK's prepaid wireless services are affordable, easy to use, and attractive to low-income and lower-volume consumers. These services provide consumers with access to emergency services and a reliable means of communication that can be used both at home and while traveling to remain in touch with friends and family and for contacting prospective employers. By providing affordable wireless plans and quality customer service to consumers who are otherwise unable to afford them, or were previously ignored by traditional carriers, Q LINK will expand the availability of wireless services to many more consumers, which is one of the principal objectives of the universal service program established by Congress and codified in Section 254 of the Act, 47 U.S.C. § 254.

Q LINK will offer consumers a variety of simple and affordable prepaid calling plans, easy-to-use handsets, and high-quality customer service. Given its pricing and marketing strategy and the demographics of other, similar Mobile Virtual Network Operators' ("MVNO") customers, Q LINK anticipates that many of its customers will be from low-income backgrounds and will not have previously enjoyed access to wireless service because of economic constraints, poor credit history, or sporadic employment. Q LINK does not conduct credit checks or require customers to enter into long-term service contracts as a prerequisite to obtaining wireless service. Q LINK allows customers to choose a prepaid plan that best suits their needs.

B. Lifeline Program

Universal service has been a fundamental component of U.S. telecommunications policy since adoption of the Communications Act over 70 years ago. Section 254 embodies the Commission's commitment to the concept of universal service, particularly for low-income consumers. Section 254(b) sets forth the principles upon which the Commission shall base its policies for the promotion and advancement of universal service. These principles require the Commission to ensure that all consumers, including and especially low-income consumers, have

access to telecommunications services at affordable and reasonably comparable rates.⁷ The Low-Income program was designed to assist low-income individuals obtain quality telecommunications services.⁸ Lifeline support helps defray the monthly costs of telecommunications services for low-income consumers by providing them with discounts off the monthly cost of telephone service, with additional discounts available for individuals living on tribal lands.⁹

While generally praising the Low-Income program's success, the Commission has noted that "there is more that we can do to make telephone service affordable for more low-income households," and has specifically targeted telephone subscription among low income consumers as one area for improvement.¹⁰ To increase awareness of the program, the Commission has expanded the qualifying criteria and adopted broader outreach guidelines, requiring carriers to better advertise the availability of Lifeline services. Through these actions, the Commission has sought to increase Lifeline participation because "when consumers are able to only intermittently remain on the network, they are not fully connected to society and the economy...the Commission has found that the low-income program 'provide[s] the best source of assistance for individuals to obtain and retain universal service, and, therefore, help maintain and improve telephone subscribership' and fulfill our obligations under Section 254 of the Act."¹¹

⁷ See 47 U.S.C. § 254. Section 254(b)(3) of the Act requires the Commission to determine whether "consumers in all regions of the Nation, *including low-income consumers* and those in rural, insular, and high cost areas...have access to telecommunications [services] ..." 47 U.S.C. § 254(b)(3) (emphasis added).

⁸ 47 C.F.R. §§ 54.401 and 54.411.

⁹ 47 C.F.R. §§ 54.400 and 54.401.

¹⁰ See *Lifeline and Link Up Reform Order* at ¶¶ 27-30; See also *Lifeline and Link-Up*, WC Docket No. 03-109, Report and Order and Further Notice of Proposed Rulemaking, 19 FCC Rcd 8302, 8305 ¶ 1 (2004) ("*Lifeline Order*").

¹¹ See *Lifeline and Link Up Reform Order* at ¶ 16.

C. Proposed Lifeline Offering

Q LINK intends to be a leader in the prepaid wireless marketplace by offering consumers exceptional value and competitive amounts of voice usage at all price points. Attached hereto as Exhibit A is a table of Q LINK's rate plans, showing that Q LINK will provide customers with a minimum of 68 free minutes and a free handset in its Lifeline service offering.¹² Q LINK's Lifeline rate plans will provide customers with the same features and functionalities enjoyed by all other Q LINK prepaid customers, with one notable exception: prepaid Lifeline services will be free of charge. As Exhibit A demonstrates, Q LINK will provide customers the choice of one of the following three (3) Lifeline Plans:

- a. Plan 1: 68 Monthly Minutes. Under Plan 1, eligible customers enjoy 68 anytime minutes that rollover and free international long distance.¹³ Text messaging is at the rate of one-third of one minute (3 texts = 1 minute).
- b. Plan 2: 125 Monthly Minutes. Under Plan 2, eligible customers enjoy 125 anytime minutes that rollover. Text messaging is at the rate of one minute (1 text = 1 minute).
- c. Plan 3: 250 Monthly Minutes. Under Plan 3, eligible customers enjoy 250 anytime minutes. Minutes do not rollover. Text messaging is at the rate of one minute (1 text = 1 minute).

¹² Q LINK expects that the Company's Lifeline service offering may change as the wireless market evolves. As such, the Company requests that the Commission's grant of ETC designation provide it with the requisite authority to modify the parameters of the offerings as marketplace conditions develop.

¹³ Under Plan 1, there is no additional charge for international long distance to countries designated at www.qlinkwireless.com.

Customers have the capability of purchasing additional bundles of minutes in denominations as low as \$9.99, \$19.99, \$29.99, and \$59.99.¹⁴ Airtime replenishment cards will be made available at retail outlets frequented by low-income customers throughout the Company's Service Area. In addition to free voice services, all of Q LINK's Lifeline plans will include a free handset and the following Custom Calling features: Caller ID, Call Waiting, and Voicemail. Customers may use their minutes to place domestic long distance calls at no additional charge. Calls to 911 emergency services are always free, regardless of service activation or availability of minutes, and calls to Q LINK customer service are also free.

Customers can change their plan on their monthly plan date, without penalty, should they determine that another plan better meets their needs or should their needs change. As mentioned before, Q LINK does not impose burdensome credit checks, long-term service contracts, or roaming charges. Q LINK's Lifeline offerings will not only allow feature-rich mobile connectivity for qualifying subscribers *at no cost to the subscriber*, but will also bring more variety of rate plans into the reach of Lifeline customers that are comparable in minutes and features to those available to post-paid wireless subscribers, just with low Lifeline rates. Q LINK's prepaid offerings will be an attractive alternative for consumers who need the mobility, security, and convenience of a wireless phone, but who are concerned about usage charges or long-term contracts.

III. THE COMMISSION HAS AUTHORITY TO PERFORM THE ETC DESIGNATION

Pursuant to Section 214(e)(6), the Commission may designate as an ETC "a common carrier providing telephone exchange service and exchange access that is not subject to the

¹⁴ \$9.99 = 50 minutes, \$19.99 = 120 minutes, \$29.99 = 200 minutes, and \$59.99 = 450 minutes.

jurisdiction of a state commission.”¹⁵ The Commission has established that a carrier must demonstrate that it “is not subject to the jurisdiction of a state commission” before it may consider an application for ETC designation.¹⁶ The Commission also has stated that any carrier seeking ETC designation from it must provide the Commission with an “affirmative statement” from the state PUC that it lacks jurisdiction to perform the ETC designation.”¹⁷

None of the states for which Q LINK requests ETC designation from the FCC has the jurisdiction to designate the Company as an ETC:

a) The Alabama Public Service Commission has concluded that it “has no jurisdiction to take action” on ETC petitions, and that “wireless providers seeking ETC status should pursue their ETC designation request with the FCC.” A copy of the Alabama Public Service Commission’s order is attached as Exhibit B.

b) The Connecticut Department of Public Utility Control has provided a letter clarifying that it lacks jurisdiction to entertain the Company’s ETC petition. The letter is attached as Exhibit C.

c) The Delaware Public Service Commission has provided a letter clarifying that it lacks jurisdiction to entertain the Company’s ETC petition. The letter is attached as Exhibit D.

d) The District of Columbia Public Service Commission has provided a letter clarifying that it lacks jurisdiction to entertain the Company’s ETC petition. The letter is attached as Exhibit E.

¹⁵ See 47 U.S.C. § 214(e)(6).

¹⁶ See *Procedures for FCC Designation of Eligible Telecommunications Carriers Pursuant to Section 214(e)(6) of the Communications Act*, CC Docket No. 96-45, Public Notice, 12 FCC Rcd 22947, 22948 (1997).

¹⁷ See *Federal-State Joint Board on Universal Service; Promoting Deployment and Subscriberhip in Unserved and Underserved Areas, Including Tribal and Insular Areas*, CC Docket No. 96-45, Twelfth Report and Order, Memorandum Opinion and Order, and Further Notice of Proposed Rulemaking, 15 FCC Rcd 12208, 12264 ¶ 113 (2000).

e) The Florida Public Service Commission has provided a letter clarifying that it lacks jurisdiction to entertain the Company's ETC petition. The letter is attached as Exhibit F.

f) The New Hampshire Public Utilities Commission has provided a letter clarifying that it lacks jurisdiction to entertain the Company's ETC petition. The letter is attached as Exhibit G.

g) The New York Public Service Commission has provided a letter clarifying that it lacks jurisdiction to entertain the Company's ETC petition. The letter is attached as Exhibit H.

h) The North Carolina Utilities Commission has concluded that "the Commission lacks jurisdiction over CMRS services and the appropriate venue for the designation of ETC status for such services is with the FCC." A copy of the North Carolina Utilities Commission's Order is attached as Exhibit I.

i) The Tennessee Regulatory Authority has concluded that its statutory "lack of jurisdiction over CMRS providers" precludes it from processing ETC petitions. A copy of the Tennessee Regulatory Authority's order is attached as Exhibit J.

j) The Virginia Corporation Commission has concluded that "§ 214(e)6 of the Act is applicable" to wireless ETC petitions "because [the Virginia Commission] has not asserted jurisdiction over CMRS carriers," and that wireless ETC applicants "should apply to the Federal Communications Commission." A copy of the Virginia Commission's Order is attached as Exhibit K.

Accordingly, for each of the Non-Jurisdiction States, Q LINK is "a common carrier providing telephone exchange service and exchange access that is not subject to the jurisdiction of

a State commission.”¹⁸ As such, the Commission is authorized to designate Q LINK as an Eligible Telecommunications Carrier.

IV. Q LINK REQUESTS ETC DESIGNATION IN ITS SERVICE AREAS IN THE NON-JURISDICTIONAL STATES FOR PARTICIPATION IN THE LIFELINE PROGRAM

A. Q LINK Requests ETC Designation in its Existing Service Area

Consistent with prior orders granting other MVNOs ETC status,¹⁹ Q LINK requests ETC designation for its entire service area in Alabama, Connecticut, Delaware, District of Columbia, Florida, New Hampshire, North Carolina, New York, Tennessee and Virginia (i.e. the area served by the facilities-based carriers from whom it obtains wholesale service), but excluding any Tribal Areas.²⁰ Q LINK understands that its service area may overlap with several rural carriers’ service areas but maintains that the public interest factors described below justify its designation in these service areas, especially since it only seeks ETC designation for purposes of participation in the Lifeline program.

B. Q LINK’s Limited ETC Designation Request Only Seeks Authority to Participate in the Lifeline Program

Consistent with the scope of forbearance granted by the Commission, Q LINK requests ETC designation in the Non-Jurisdictional States for the sole purpose of participating in the Lifeline program. Q LINK does not seek eligibility to receive support from the Link-Up or High Cost support programs. As demonstrated herein, the instant request to participate in the Lifeline program is consistent with the Commission’s requirements for ETC designation, and would promote the goals of universal service by offering the many benefits of supported services to

¹⁸ 47 U.S.C. § 214(e)(6).

¹⁹ See *TracFone ETC Order* and *Virgin Mobile Order*, *supra* note 5.

²⁰ See Exhibit L for chart reflecting the service areas of the non-rural and rural telephone companies that Q LINK’s authorized service area covers.

low-income customers in the Non-Jurisdictional States. As discussed above, Q LINK's Lifeline offerings will include many features specifically designed for qualifying low-income customers, who currently lack appealing and affordable options for wireless services, many of whom are therefore unable to subscribe to wireless services.

C. The Limited Designation Request is Consistent with Recent Precedent

Q LINK's request for designation to participate in the Lifeline program is consistent with the Commission's decisions conditionally designating TracFone Wireless and Virgin Mobile as ETCs in several states.²¹ In its decisions, the Commission determined that the requests of TracFone and Virgin Mobile satisfied all of the necessary eligibility requirements and that designation would serve the public interest.²² The Commission specifically noted in the *TracFone* and *Virgin Mobile Orders* that designation of prepaid wireless providers as ETCs will provide a variety of benefits to low-income consumers, including increased consumer choice, high-quality service offerings and mobile access to emergency services on wireless devices.²³

Q LINK requests that the Commission expeditiously process its pending ETC applications so that it can quickly join TracFone and Virgin Mobile in providing qualifying low-income customers with affordable USF-supported Lifeline wireless services. Designation of prepaid wireless providers such as TracFone, Virgin Mobile, and Q LINK as ETCs is a significant step towards ensuring that all customers, particularly low-income customers, share in the many benefits associated with access to affordable wireless telecommunications services. During an economic downturn, many existing wireless customers have to forego wireless

²¹ See *supra* note 6.

²² See *TracFone ETC Order*, 23 FCC Rcd at 6212-13 ¶ 15; *Virgin Mobile Order*, 24 FCC Rcd at 3395 ¶ 38.

²³ See *Id.*

services because they can no longer afford them. Designation of ETC status to prepaid wireless carriers like TracFone, Virgin Mobile, and Q LINK would help to close the widening gap for wireless services and provide low-income customers with the significant advantages associated with access to wireless services. The Commission has found that voice service has “become crucial to full participation in our society and economy, which are increasingly dependent upon the rapid exchange of information.”²⁴ As noted in a study sponsored by the Massachusetts Institute of Technology’s Legatum Center for Development and Entrepreneurship and New Millennium Research Council, low-income customers receive significant economic and social benefits from wireless services, including enhanced productivity, increased economic opportunity, and broader access to emergency and safety services.²⁵

V. Q LINK SATISFIES THE REQUIREMENTS FOR DESIGNATION AS AN ETC

Section 214(e)(1) of the Act and Section 54.201(d) of the Commission’s rules provide that applicants for ETC designation must be common carriers that will offer all of the services supported by universal service, either using their own facilities or a combination of their own facilities and the resale of another carrier’s services, except where the Commission has forbore from the “own facilities” requirement. Applicants also must commit to advertise the availability and rates of such services.²⁶ As detailed below, Q LINK satisfies each of the requirements.

²⁴ See *Lifeline and Link Up Reform Order* at ¶ 12.

²⁵ Nicholas P. Sullivan, New Millennium Research, *Cell Phones Provide Significant Economic Gains for Low-Income American Households: A Review of Literature and Data from Two New Surveys*, (April 2008), available at http://newmillenniumresearch.org/archive/Sullivan_Report_032608.pdf.

²⁶ See 47 U.S.C. § 214(e)(1) and 47 C.F.R. § 54.201(d)(2).

A. Q LINK is a Common Carrier

CMRS providers like Q LINK are common carriers.²⁷

B. Q LINK Will Provide the Supported Services Consistent With the Commission's Grant of Forbearance from Section 214's Facilities Requirements

Although Section 214 requires ETCs to provide services using their facilities, at least in part, the Commission has forbore from that requirement with respect to carriers such as Q LINK. In the *Lifeline and Link Up Reform Order*, the Commission granted forbearance from the "own-facilities" requirement contained in Section 214(e)(1)(A) for carriers that are, or seek to become, Lifeline-only ETCs, subject to the following conditions:²⁸

(1) the carrier must comply with certain 911 requirements [(a) providing its Lifeline subscribers with 911 and E911 access, regardless of activation status and availability of minutes; (b) providing its Lifeline subscribers with E911-compliant handsets and replacing, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services; and (c) complying with conditions (a) and (b) starting on the effective date of this Order]; and

(2) the carrier must file, and the Bureau must approve, a compliance plan providing specific information regarding the carrier's service offerings and outlining the measures the carrier will take to implement the obligations contained in this Order as well as further safeguards against waste, fraud and abuse the Bureau may deem necessary."

Q LINK will avail itself of the FCC's grant of forbearance. However, although the Company qualifies for and seeks to avail itself of the Commission's grant of forbearance from the "own facilities" requirement of section 214(e)(1)(A), the Company reserves the right to demonstrate

²⁷ *Implementation of Sections 3(n) and 332 of the Communications Act, Regulatory Treatment of Mobile Services*, GN Docket No. 93-252, Second Report and Order, 9 FCC Rcd 1411, 1425 ¶ 37, 1454-55 ¶ 102 (1994) (wireless resellers are included in the statutory "mobile services" category, and providers of cellular service are common carriers and CMRS providers); 47 U.S.C. § 332(c)(1)(A) ("mobile services" providers are common carriers); *see also PCIA Petition for Forbearance for Broadband PCS*, WT Docket No. 98-100, Memorandum Opinion and Order and Notice of Proposed Rulemaking, 13 FCC Rcd 16857, 16911 ¶ 111 (1998) ("We concluded [in the *Second Report and Order*] that CMRS also includes the following common carrier services: cellular service, ... all mobile telephone services *and resellers of such services*.") (emphasis added).

²⁸ *See Lifeline and Link Up Reform Order* at ¶¶ 368, 373 and 379.

to a state public utilities commission that it provides service using its own facilities in a state, particularly for purposes of state universal funding under state program rules and requirement. In accordance with the *Lifeline and Link Up Reform Order*, Q LINK filed its Second Amended Compliance Plan on April 12, 2012, which replaced in its entirety the Company's original Compliance Plan filed February 10, 2012 and its Amended Compliance Plan filed March 16, 2012. The Company's Second Amended Compliance Plan is attached hereto as Exhibit M. Q LINK commits to providing Lifeline service in the Non-Jurisdictional States in accordance with its Compliance Plan.

C. Q LINK Offers All of the Required Services and Functionalities

Q LINK is able to provide all of the services and functionalities supported by the universal service program under Section 54.101 of the Commission's rules in the Non-Jurisdictional States. Q LINK will make these services and functionalities available to qualifying consumers with service addresses in Alabama, Connecticut, Delaware, District of Columbia, Florida, New Hampshire, North Carolina, New York, Tennessee and Virginia.

1. Voice Grade Access to the Public Switched Telephone Network

Q LINK provides voice grade access to the public switched telephone network ("PSTN") through the purchase of wholesale CMRS services from Sprint.

2. Local Usage

As part of the voice grade access to the PSTN, an ETC must provide minutes of use for local service at no additional charge to end-users. The FCC has not specified a minimum amount of local usage that an ETC must offer, determining that it would unduly favor one

technology over another.²⁹ Q LINK offers a variety of rate plans that provide its customers with minutes of use for local service at no additional charge.

3. Access to Emergency Services

Q LINK provides nationwide access to 911 and E911 emergency services for all of its customers to the extent the local government in its service area has implemented 911 or E911 systems. In accordance with its forbearance, Q LINK will provide access to 911 and E911 services regardless of activation status and availability of minutes, and will provide only E911-compliant handsets to its Lifeline customers.

4. Toll Limitation for Qualifying Low-Income Consumers

In its *Lifeline and Link Up Reform Order*, the FCC stated that toll limitation would no longer be deemed a supported service.³⁰ “ETCs are not required to offer toll limitation service to low-income consumers if the Lifeline offering provides a set amount of minutes that do not distinguish between toll and non-toll calls.”³¹ Nonetheless, Q LINK’s offerings inherently allow Lifeline subscribers to control their usage, as its wireless service is offered on a prepaid, or pay-as-you-go, basis. Q LINK’s service, moreover, is not offered on a distance-sensitive basis and local and domestic long distance minutes are treated the same. Q LINK will not seek reimbursement for toll limitation service.

D. Advertising of Supported Services

Q LINK will broadly advertise the availability and rates for the services described above using media of general distribution as required by Section 54.201(d)(2) of the Commission’s

²⁹ See e.g., *In the Matter of Federal-State Joint Board on Universal Service*, Recommended Decision 15 FCC Rcd 7331 (2002).

³⁰ See *Lifeline and Link Up Reform Order* at ¶ 367.

³¹ See *Lifeline and Link Up Reform Order* at ¶ 49.

regulations,³² and in accordance with the requirements set forth in the *Lifeline and Link Up Reform Order*.³³ The Company will advertise its services in a manner reasonably designed to reach those likely to qualify for Lifeline services, using media of general distribution that may include advertisements via television, newspapers, radio, and the internet. These advertising campaigns will be specifically targeted to reach low-income consumers and promote the availability of cost-effective wireless services to this neglected consumer segment.

In addition, Q LINK will utilize its network of retail partners to help promote the availability of its Lifeline plans, especially those retail outlets that are frequented by low-income consumers. Q LINK will provide retail vendors with signage to be displayed where Q LINK products are sold, and with printed materials describing Q LINK's Lifeline program. Q LINK also intends to distribute brochures at various state and local social service agencies, and intends to partner with nonprofit assistance organizations in order to inform customers of the availability of its Lifeline services. Q LINK expects to be able to inform consumers of the availability of Lifeline service in a manner that will result in significantly higher participation in the Lifeline program by qualified consumers than has been the case in the past. Q LINK believes that its advertising and outreach efforts will result in increased participation in the Lifeline program.

E. Service Commitment Throughout the Proposed Designated Service Area

Q LINK will provide service in the Non-Jurisdictional States by reselling service which it obtains from its underlying facilities-based provider. The provider's network is operational and largely built out. Thus, Q LINK will be able to commence offering its Lifeline service to all locations served by its underlying carrier very soon after receiving approval from the

³² See 47 C.F.R. § 54.201.

³³ See *Lifeline and Link Up Reform Order* at Section VII.F.

Commission. Q LINK commits to comply with the service requirements applicable to the support that it receives.³⁴

F. Five-Year Network Improvement Plan

As set forth in the *Lifeline and Link Up Reform Order*, a common carrier seeking designation as a Lifeline-only ETC is not required to submit a five-year network improvement plan as part of its application for designation as an ETC.³⁵

G. Ability to Remain Functional in Emergency Situations

In accordance with 47 C.F.R. §54.202(a)(2), Q LINK has the ability to remain functional in emergency situations. As described herein, Q LINK purchases wireless network services on a wholesale basis from Sprint, a large, national carrier that is itself subject to various regulatory requirements to remain functional in emergencies. Through Sprint, Q LINK provides to its customers the same ability to remain functional in emergency situations as currently provided by Sprint to its own customers, including access to a reasonable amount of back-up power to ensure functionality without an external power source, the ability to reroute traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations. Furthermore, the Company is subject to its own 911 requirements in 47 C.F.R. 20.18(m), and has committed to specific 911 and E911-related requirements – including with respect to E911 handsets – in its Compliance Plan.

³⁴ See *Lifeline and Link Up Reform Order* at page 208, revised § 54.202(a)(1)(i).

³⁵ See *Lifeline and Link Up Reform Order* at ¶ 386.

H. Commitment to Consumer Protection and Service Quality

Under FCC guidelines, an ETC applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards.³⁶ The Company commits to satisfying all such applicable state and federal requirements related to consumer protection and service quality standards. Q LINK commits to comply with the Cellular Telecommunications and Internet Association's (CTIA) Consumer Code for Wireless Service.

I. Q LINK is Financially and Technically Capable

Q LINK is financially and technically capable of providing Lifeline-supported services.³⁷ Q LINK will provide service to both Lifeline and non-Lifeline customers. Q LINK has not been subject to enforcement action or ETC revocation proceedings in any state. Q LINK is financially able to provide Lifeline-supported services and will not rely exclusively on USF disbursements to operate.³⁸ Furthermore, the senior management of Q LINK has great depth in the telecommunications industry and offers extensive telecommunications business technical and managerial expertise to the Company.³⁹ Q LINK will be providing resold wireless service, and therefore will also rely upon the managerial and technical expertise of its underlying carrier.

VI. Q LINK WILL COMPLY WITH THE REQUIREMENTS SET FORTH IN THE LIFELINE AND LINK-UP REFORM ORDER

A. Consumer Eligibility and Enrollment

Q LINK will certify and verify consumer eligibility for Lifeline in accordance with the requirements set forth in the *Order*. In instances where a state agency or third-party administrator is responsible for the initial determination and annual recertification of consumer eligibility, Q

³⁶ See 47 C.F.R. § 54.202(a)(3).

³⁷ See *Lifeline and Link Up Reform Order* at ¶ 387.

³⁸ See Exhibit M for the Company's financial information.

³⁹ See Exhibit N for key management resumes.

LINK will rely on the state identification or database.⁴⁰ In instances where Q LINK is responsible for the initial determination and annual recertification of consumer eligibility, the Company will follow the procedures set forth below.

1. One-Per-Household

Q LINK understands that Lifeline is limited to a single subscription per household, and that the Commission has defined household as “any individual or group of individuals who are living together at the same address as one economic unit.”⁴¹ Upon receiving an application for Lifeline support, Q LINK will check the duplicates database, once in place, to determine whether an individual at the applicant’s residential address is currently receiving Lifeline-supported service. Q LINK will also search its own internal database of active customers, real-time, pre-sale, to ensure that it does not already provide Lifeline-supported service to someone at that residential address.

If Q LINK determines that an individual at the applicant’s address is currently receiving Lifeline-supported service, Q LINK will take an additional step to ensure that the applicant and the current subscriber are part of different households. To enable applicants to make this demonstration, Q LINK will require applicants to complete and submit to the Company USAC’s one-per-household template, which will contain the following: (1) an explanation of the Commission’s one-per-household rule; (2) a check box that an applicant can mark to indicate that he or she lives at an address occupied by multiple households; (3) a space for the applicant to certify that he or she shares an address with other adults who do not contribute income to the applicant’s household and share in the household’s expenses or benefit from the applicant’s

⁴⁰ See Order at ¶ 98.

⁴¹ See Order at ¶ 74.